



# Department of Justice

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## **JUSTICE DEPARTMENT ISSUES REPORT ON TELECOMMUNICATIONS SYMPOSIUM**

### ***Report Discusses Competitive Developments in Video, Voice Telephone and Broadband Services, Including Wireless Alternatives and Bundled Products***

WASHINGTON — The Department of Justice today issued a report on competitive developments in the telecommunications industry. The report, “Voice, Video and Broadband: The Changing Competitive Landscape and Its Impact on Consumers,” is the result of a Telecommunications Symposium hosted by the Department on Nov. 29, 2007.

The report addresses a number of issues that may affect consumers of telecommunications services and antitrust analysis in this industry, including the development of new facilities-based competition, wireless technologies as alternatives to wireline networks, price and non-price consumer benefits from competition, the significance of bundled products, and obstacles to competitive entry. The focus of the report is on telecommunications services provided to residential consumers, rather than business users.

“The symposium report highlights the extraordinary changes that have taken place in consumer telecommunications services, including expanded product offerings, increased quality of products, and, most important from an antitrust perspective, increased competition from separate technology platforms,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division.

The report is divided into four chapters. Chapter 1 describes recent trends and developments, including numbers and shares of consumers served by cable companies, telephone companies, Direct Broadcast Satellite, wireless services, and other technologies. New developments are highlighted, such as facilities-based entry by telephone companies into video, and the growth of cable telephony and consumer broadband services offered by multiple providers.

Chapter 2 begins with an overview of basic economic principles applied to telecommunications competition, then analyzes: wireless substitution for wireline telecommunications services; challenges faced by new broadband providers, such as wireless operators; the competitive implications of “triple play” service bundles; and consumer benefits from competition.

Chapter 3 discusses potential impediments to competitive entry in video, voice telephony, and broadband services, including the effects of regulation and conduct by incumbent service providers that may impede competition.

Finally, Chapter 4 summarizes the findings of the report and implications for the Department's future enforcement activities and competition advocacy. In particular, to aid its ability to enforce the antitrust laws efficiently, the Department will continue to monitor industry trends and developments, paying particular attention to the effects of convergence and increasing substitution among services. The Department will also continue its role as an advocate for sound competition policy.

An executive summary of the Department's report is attached. The full report can be found on the Department's Web site at <http://www.usdoj.gov/atr/public/reports/239284.pdf>. Complete information on the Telecommunications Symposium, including speaker presentations and written submissions, can be found at <http://www.usdoj.gov/atr/public/workshops/telecom2007/index.htm>.

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